

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>SMILEY WANG-EKVALL, LLP          Lei Lei Wang Ekvall, State Bar No. 163047          lekvall@swelawfirm.com          Philip E. Strok, State Bar No. 169296          pstrok@swelawfirm.com          3200 Park Center Drive, Suite 250          Costa Mesa, California 92626          Telephone: (714) 445-1000          Facsimile: (714) 445-1002</p> <p><input type="checkbox"/> Individual appearing without attorney  <input checked="" type="checkbox"/> Attorney for: Heide Kurtz, Chapter 7 Trustee</p>	<p>FOR COURT USE ONLY</p>
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**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

<p>In re:</p> <p>DAVID ALBERT GARCIA,</p> <p align="right">Debtor(s).</p>	<p>CASE NO.: 2:14-bk-15854-WB CHAPTER: 7</p> <p align="center"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>
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<p><b>Sale Date:</b> 04/30/2015</p>	<p><b>Time:</b> 2:00 pm</p>
<p><b>Location:</b> Courtroom 1375, U.S. Bankruptcy Court, 255 East Temple Street, Los Angeles, California</p>	

**Type of Sale:**  Public  Private **Last date to file objections:** 04/16/2015

**Description of property to be sold:**  
 Real property located at 321 Morris Place, Montebello, California, and the Debtor's 100% ownership interests in Legal Support Unlimited and Rottner Enterprises, Inc. See attached notice for additional information.

**Terms and conditions of sale:** Sale price is \$260,000.00 with waiver of exemption claim and other consideration. Overbids must be at least \$595,000.00. See notice for additional information.

**Proposed sale price:** \$ 260,000.00  
 plus other consideration

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This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**Overbid procedure (if any):** See attached notice for overbid procedure.

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

Hearing Date: April 30, 2015

Hearing Time: 2:00 p.m.

Location: Courtroom 1375, United States Bankruptcy Court, 255 East Temple Street, Los Angeles, California

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Lei Lei Wang Ekvall

SMILEY WANG-EKVALL, LLP

3200 Park Center Drive, Suite 250

Costa Mesa, California 92626

Telephone: (714) 445-1000

Facsimile: (714) 445-1002

Email: lekvall@swelawfirm.com

Date: 04/09/2015

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Lei Lei Wang Ekvall, State Bar No. 163047  
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6 Attorneys for Heide Kurtz, Chapter 7 Trustee

7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **LOS ANGELES DIVISION**

11 In re  
12 DAVID ALBERT GARCIA,  
13  
14  
15  
16 Debtor.

Case No. 2:14-bk-15854-WB  
Chapter 7

**NOTICE OF HEARING ON MOTION FOR  
ORDER AUTHORIZING SALE OF  
ESTATE ASSETS FREE AND CLEAR  
OF LIENS PURSUANT TO 11 U.S.C.  
§ 363 WITH OVERBID PROCEDURE**

**DATE: April 30, 2015**  
**TIME: 2:00 p.m.**  
**CTRM: 1375**

19  
20 **TO ALL INTERESTED PARTIES:**

21 **PLEASE TAKE NOTICE** that on **April 30, 2015**, at **2:00 p.m.** in **Courtroom 1375**,  
22 located at the Edward R. Roybal Federal Building and Courthouse, 255 East Temple  
23 Street, Los Angeles, California, the *Motion for Order Authorizing Sale of Estate Assets  
Free and Clear of Liens Pursuant to 11 U.S.C. § 363 with Overbid Procedure* ("the  
24 Motion") filed by Heide Kurtz, the chapter 7 trustee of the estate of David A. Garcia ("the  
Trustee"), will come on for hearing. The Motion is summarized as follows:

25 1. David Albert Garcia ("the Debtor") filed a voluntary petition under chapter 13  
26 of the Bankruptcy Code on March 27, 2014. The case was converted to one under  
chapter 7 on July 31, 2014. The Trustee subsequently accepted her appointment as  
chapter 7 trustee. Pursuant to order entered on January 2, 2015, the Trustee was  
27 authorized to employ Hahn Fife & Company, LLP, as the Trustee's accountants.

28 2. The Debtor scheduled a single-family residence located at 321 Morris  
Place, Montebello, California ("the Property"). The value of the Debtor's fee simple

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1 interest in the Property is listed at \$315,000.00. The Debtor scheduled a first trust deed  
2 against the Property in favor of JPMorgan Chase in the amount of \$207,180.14 ("the First  
Trust Deed"). The Debtor claims a \$75,000.00 homestead exemption in the Property  
3 pursuant to California Code of Civil Procedure § 704.730.

4 3. The Trustee obtained a valuation of the Property from W. Darrow Fiedler, a  
5 real estate broker familiar with property in the area ("the Broker"). The Broker personally  
6 inspected the exterior and interior of the Property and examined several comparable  
7 properties to determine its value. The Broker believes that in its current condition the  
Property is worth between \$370,000.00 and \$375,000.00. Based on a \$375,000.00  
8 valuation, after deducting the First Trust Deed balance, costs of sale of 8% (6%  
9 commission and 2% closing costs) and the Debtor's \$75,000.00 claimed homestead  
10 exemption, the equity in the Property is estimated to be less than \$60,000.00.

11 4. The Debtor also scheduled 100% ownership interests in Legal Support  
12 Unlimited ("LSU") and Rottner Enterprises, Inc. ("REI"). LSU and REI both provide legal  
13 messenger services. Both entities are located at 816 South Figueroa Street, Suite 100,  
14 Los Angeles, California. The Debtor scheduled the value of the LSU stock at \$51,100.00  
15 and the value of the REI stock at \$3,800.00. The LSU stock and REI stock are  
16 collectively referred to as "the Stock."

17 5. Donald Fife of Hahn Fife & Company, LLP, the Trustee's accountant ("the  
18 Accountant"), reviewed the books and records of LSU and REI and had two in-person  
19 meetings with the Debtor at LSU and REI's business premises. LSU and REI are small  
20 attorney service businesses with very few tangible assets of value. Being service-driven  
21 businesses, the value of LSU and REI depends, in large part, on goodwill generated by  
22 personal relationships between management, on one hand, and clients and employees,  
23 on the other hand. The Accountant estimates the value of the Stock at between  
24 \$200,000.00 and \$210,000.00, which is likely to substantially decline if key employees or  
25 customers were to leave. The interests of this bankruptcy estate ("the Estate") in the  
26 Property and the Stock are collectively referred to as "the Assets."

27 6. In August 2014, the Trustee received an offer to purchase the Stock from  
28 ALLDOCS, LLC, through its representative, James Rather. ALLDOCS' offer proposed to  
purchase the Stock for \$100,000.00. In addition to the \$100,000.00 purchase price,  
ALLDOCS' proposal included a withdrawal of certain claims against the Estate. The  
Trustee rejected the proposal in favor of the sale contemplated in the Motion, because  
she believes the proposed sale to the Debtor is more beneficial to the Estate and its  
creditors, when value and risks are considered.

7. The salient terms of the sale, which are specifically outlined in the a  
document entitled *Purchase and Sale Agreement* ("the Agreement"), are as follows:

(a) The Agreement is subject to court approval;

(b) The Debtor shall pay the sum of \$260,000.00 for the Estate's interest  
in the Assets ("the Purchase Price"), payable as follows:

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i. Upon execution of the Agreement, the Debtor, through his counsel, will turn over the Debtor's \$55,000.00 deposit ("the Deposit") to the Trustee.<sup>1</sup> The Deposit is refundable only if the Agreement is not approved by the Bankruptcy Court or if the Debtor is not the successful bidder for the Assets.

ii. The \$205,000.00 balance of the Purchase Price will be evidenced by a promissory note ("the Note"), which provides for (i) twelve equal monthly payments of \$6,500.00, beginning on the first day of the first full month after entry of a final order approving the Agreement and (ii) twelve equal installment payments of \$10,583.34 on the first day of every month thereafter until paid.

(c) The Note will be secured by a second priority deed of trust against the Property and a blanket lien against all assets of LSU and all assets of REI.

(d) The sale is subject to overbid, but any overbidder must collectively bid on the Estate's interest in the Assets and not piecemeal.

(e) Within five business days after the Effective Date (as that term is defined in the Agreement), the Trustee will abandon the Estate's interest in the Property pursuant to 11 U.S.C. § 554.

(f) On the Effective Date, the Debtor will waive all exemption claims and rights and interests to the Property, the Purchase Price, the Deposit, and any and all funds received by the Estate pursuant to the Note as well as any proceeds of the collateral.

(g) Releases are as specifically set forth in the Agreement.

8. The Agreement requires that the Assets be sold together. The Purchase Price is comprised of the Debtor's purchase of the estimated equity in the Property for \$60,000.00, with the \$200,000.00 balance of the Purchase Price being attributed to the purchase of the Stock. Because the sale to anyone other than the Debtor eliminates certain benefits that are particular to a transaction with him, *i.e.*, the Debtor's waiver of his homestead exemption and the ability to leave the first trust deed in place, any potential overbidder must purchase the Property outright for full value to allow the Estate to recover at least as much as it would recover under Agreement. In addition, the Debtor's proposal provides for payment over time so the Property and the assets of LSU and REI serve as collateral to secure the Debtor's payment obligations. A sale of one and not the other would impair the Estate's collateral.

9. In light of the foregoing, the Trustee proposes the following procedure to allow for overbids prior to the Court's approval of the sale of the Assets to ensure that the Assets are sold for the best possible price:

(a) Qualifying bidders ("Qualifying Bidder") shall be those who have met the following requirements and are determined, in the Trustee's sound business judgment, to be qualified:

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<sup>1</sup> The Trustee is in receipt of the \$55,000.00 deposit. The Trustee believes some or all of the deposit may have come from LSU and/or REI.

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1 (b) Submit a written all-cash bid of at least \$595,000 (\$385,000.00  
2 allocated to the Property and \$210,000.00 allocated to the Stock) with no credit  
3 bidding;

4 (c) Set forth in writing the terms and conditions of the offer that are at  
5 least as favorable to the Trustee as those set forth in the Agreement attached as  
6 Exhibit "5" to the Motion, including the purchase of the Stock and the Property, as-  
7 is, where-is, without any representations or warranties pursuant to 11 U.S.C.  
8 § 363(f);

9 (d) Be financially qualified to timely close the sale;

10 (e) Submit an offer that does not contain any contingencies to closing  
11 the sale, including, but not limited to, financing contingencies;

12 (f) Submit a cash deposit of \$200,000.00 ("the Overbid Deposit")  
13 payable to Heide Kurtz, Chapter 7 Trustee of the bankruptcy estate of David Albert  
14 Garcia, in the form of a cashier's check, which Overbid Deposit shall be non-  
15 refundable if the bid is deemed to be the Successful Bid (as that term is defined  
16 below). The Overbid Deposit, written offer, and evidence of financial qualification  
17 must be delivered to the Trustee's counsel on or before April 27, 2015 at  
18 5:00 p.m., Pacific Daylight Savings Time. The Trustee's counsel's address is  
19 listed in the upper left-hand corner of page 1 of this Notice.

20 (g) At the hearing on the Motion, only the Debtor and any party who is  
21 deemed a Qualifying Bidder shall be entitled to bid.

22 (h) Any incremental bid in the bidding process shall be at least  
23 \$10,000.00 higher in value than the prior bid.

24 (i) At the hearing on the Motion and upon the conclusion of the bidding  
25 process, the Trustee shall determine, exercising sound business judgment, which  
26 of the bids is the best bid, and requests that such bid be deemed the "Successful  
27 Bid." The bidder who is accepted by the Trustee as the successful bidder ("the  
28 Successful Bidder") must pay all amounts reflected in the Successful Bid in cash  
at the closing of the sale. The closing shall occur on or before three (3) business  
days after expiration of the deadline to appeal the order granting the Motion. At  
the hearing on the Motion, and upon conclusion of the bidding process, the  
Trustee may also acknowledge a back-up bidder ("the Back-up Bidder") which  
shall be the bidder with the next best bid. Should the Successful Bidder fail to  
timely close escrow on the sale of the Assets, the Trustee may sell the Assets to  
the Back-up Bidder without further court order.

(j) In the event that the Debtor is not the Successful Bidder, the Trustee  
seeks an order pursuant to 11 U.S.C. § 542 for turnover by the Debtor of the  
Property, LSU, and REI on or before ten (10) days from the hearing on the Motion.

10. In the event the Debtor is not the Successful Bidder, the Trustee requests  
that the Debtor turn over the Property, LSU, and REI to the Trustee on or before ten (10)  
days after the hearing on the Motion.

**YOUR RIGHTS MAY BE AFFECTED.** You should read these papers carefully  
and discuss them with your attorney, if you have one. (If you do not have an attorney,  
you may wish to consult one.)

1           **DEADLINE FOR OPPOSITION PAPERS:** The Motion is being heard on regular  
2 notice pursuant to LBR 9013-1. If you wish to oppose the Motion, you must file a written  
3 response with the Court and serve a copy of it on the Trustee's attorneys at the address  
4 set forth above no less than fourteen (14) days prior to the above hearing date. If you fail  
5 to file a written response to the Motion within such time period, the Court may treat such  
6 failure as a waiver of your right to oppose the Motion and may grant the requested relief.

7 DATED: April 9, 2015

SMILEY WANG-EKVALL, LLP

8 By:           /s/ Lei Lei Wang Ekvall            
9 LEI LEI WANG EKVALL  
10 Attorneys for Heide Kurtz, Chapter 7 Trustee  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
3200 Park Center Drive, Suite 250, Costa Mesa, CA 92626

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 4/9/2015, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Lei Lei Wang Ekvall lekvall@swelawfirm.com, csheets@swelawfirm.com  
Mark D Estle mark.estle@buckleymadole.com  
Heide Kurtz (TR) trustee@hkurtzco.com, ecf.alert+Kurtz@titlexi.com  
Kathleen P March kmarch@bkylawfirm.com, kmarch3@sbcglobal.net  
Susan I Montgomery susan@simontgomerylaw.com  
United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov  
Thomas B Ure tbuesq@aol.com, ThomasUre@aol.com

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On *(date)* 4/9/2015, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

The Hon. Theodor C. Albert  
United States Bankruptcy Court  
Central District of California  
Ronald Reagan Federal Building and Courthouse  
411 West Fourth Street, Suite 5085 / Courtroom 5B  
Santa Ana, CA 92701-4593

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 9, 2015  
Date

Gabriela Gomez-Cruz  
Printed Name

/s/ Gabriela Gomez-Cruz  
Signature